

DAILY BULLETIN

DECEMBER 16, 2004

BUSH WARNS NEIGHBORS AGAINST MEDDLING IN
IRAQ'S INTERNAL AFFAIRS1

U.N. TO EXPAND OPERATIONS IN IRAQ
Offices will open in Erbil, Basra early in 2005 2

HISTORIC OPENING FOR PEACE EXISTS IN SUDAN,
U.S. OFFICIAL SAYS3

UNITED STATES WELCOMES NEW EGYPTIAN-ISRAELI
TRADE AGREEMENT4

SERIOUS HUMAN RIGHTS ABUSES CONTINUE IN
CHINA, KOZAK SAYS
Muslim religious leaders unjustly suppressed in war on
terror 5

ANTI-AIDS DRUG NEVIRAPINE IS SAFE, HEALTH
AGENCY SAYS
United States to pursue further reviews of side effects of
AIDS drug 6

UNITED STATES LAYS OUT VISION FOR ADDRESSING
CLIMATE CHANGE7

BUSH WARNS NEIGHBORS AGAINST MEDDLING IN IRAQ'S INTERNAL AFFAIRS

Tells Italy's Berlusconi market should determine
currency exchange rates
By Stephen Kaufman
Washington File White House Correspondent

Washington -- President Bush warned Iraq's neighbors
not to meddle in that country's internal affairs and
called on them to help Iraqi authorities stop the flow of
people and money across its borders.

Speaking at the White House with visiting Italian
Prime Minister Silvio Berlusconi December 15, Bush
said the United States "will continue to make it clear
to both Syria and Iran ... that meddling in the internal
affairs of Iraq is not in their interests."

Iraq's neighbors should help it to establish a society in
which its people can elect their leaders and in which
its different religious groups can live peacefully, as
envisioned under the Transitional Administrative Law
adopted by the Iraqi Governing Council, the president
said.

Bush said he and Prime Minister Berlusconi discussed
prospects for peace between Israel and the Palestin-
ians, on which he said Berlusconi "had good advice."

The Italian prime minister also expressed concerns
over the U.S. currency valuation and economy, and
Bush said he would work with Congress to deal with
the U.S. trade deficit and Social Security reform.

Bush called upon other countries to buy more American products to help reduce the huge U.S. trade deficit and improve the strength of the dollar versus the euro.

The president said his administration has a “strong dollar” policy. “We believe that the market should make the decisions about the relationship between the dollar and the euro,” he said.

He added that the United States will work hard in the upcoming congressional session “to send a signal to the markets that we’ll deal with our deficits, which hopefully will cause people to want to buy dollars.” The December 14 decision by the Federal Reserve Board to raise interest rates also sends “a signal to the world” that its chairman, Alan Greenspan, “is also aware of the relative currency valuations between the euro and the dollar,” Bush said.

Asked about possible changes in the Social Security system, the president said that one way of meeting the retirement needs of younger people is to allow them to “take some of their own taxes and invest in personal savings accounts under certain conditions.”

Bush said he planned to work with Congress on the issue. “[W]e have a problem; let’s work together to deal with it,” he said.

For his part, Prime Minister Berlusconi said European governments are facing the same challenge, with increased life expectancy due to higher standards of living and medical advances.

“[O]ne thing is for sure that needs to be done, it is we have to extend the working life of the people,” he said.

The prime minister also said his government “fully agree[s]” with Bush’s planned second term political agenda.

“We share the same opinion as to the need of reforming the United Nations in order to make it an institution which will be able to tackle the problems affecting this century, and with a multilateralism which has to take into account the results to be achieved and complete facts,” he said.

The Italian government also agrees on the need to continue to work with the United States to fight terrorism and shares the Bush administration’s view that “it is now the appropriate time to solve the Middle East issue.”

Earlier, White House Press Secretary Scott McClellan described Berlusconi as “a great friend and strong leader.”

“The president values his advice and friendship,” he said, and expressed the Bush administration’s gratitude for Italy’s military and civilian contributions in Iraq

Italy’s assistance “certainly follows on the tradition of their contributions to security and democracy in places like Afghanistan, Bosnia and Kosovo,” McClellan said.

U.N. TO EXPAND OPERATIONS IN IRAQ

Offices will open in Erbil, Basra early in 2005

By Judy Aita

Washington File United Nations Correspondent

United Nations -- Secretary General Kofi Annan intends to increase the number of U.N. personnel in Iraq soon after the first of the year, the United Nations announced December 15.

U.N. spokesman Fred Eckhard said that the U.N. would not only increase the number of personnel in the country but open offices in Erbil and Basra.

“Stressing the high importance he attaches to the provision of essential security protection for the staff concerned, he has given instruction that the first steps to be taken are to assess the security conditions to establish UNAMI (U.N. Assistance Mission in Iraq) presence in Basra and in Erbil as soon as practicable,” Eckhard said.

The U.N. currently has about 59 staff members, including 20 election experts, all based in Baghdad, but that number “is not adequate for what we want to do,” the spokesman said.

Some 150 troops from Fiji are completing training and will be deployed soon to provide “close protection” for U.N. staff and facilities, Eckhard also announced.

The first step in the expansion will be to deploy a small liaison detachment of about four persons -- military, security, and support -- in each location to assess and prepare appropriate and secure living and working conditions, the spokesman said. Thereafter, depending on the

circumstances, perhaps four or five substantive personnel will be deployed to assist and work with local authorities and local NGOs in the area.

The liaison detachments are expected to be deployed early in 2005, Eckhard said.

U.S. Ambassador John Danforth welcomed the announcement.

"Washington was hoping for the expansion of the U.N. presence in Iraq," the ambassador said. "And we think that expansion is positive. . . . This is something we've been attempting to encourage."

"Under the resolution the (Security) Council passed last June, the U.N. is to play the leading role with respect to Iraq, so it's very important to encourage the U.N. to be present," Danforth told reporters after a private meeting with the secretary general.

On December 13, Iraqi Ambassador Samir Sumaida'ie complained to the Security Council that the current number of U.N. staff is inadequate.

"In the limited time we have left before elections, it is critical for the U.N. to bolster its presence and intensify its activities in Iraq," the ambassador said.

"The phrase 'as circumstances permit' should not become a mantra, repeated to justify insufficient presence on the ground in Iraq," Sumaida'ie said of the United Nations' criteria for sending staff to Iraq.

"There is a dearth of U.N. workers even in northern and southern Iraq, despite relative peace and stability there," he said. Those are areas "in which progress should be possible quite quickly," he said.

"We believe that, not only elections preparations, but the vital humanitarian and developmental work can be greatly enhanced through direct contacts in Iraq between U.N. officials and their counterparts in the IIG (Iraqi Interim Government) and the provinces," the Iraqi envoy said.

HISTORIC OPENING FOR PEACE EXISTS IN SUDAN, U.S. OFFICIAL SAYS

Ranneberger says North-South peace, Darfur problem must be solved in tandem

By Jim Fisher-Thompson
Washington File Staff Writer

Washington -- Principal Deputy Assistant Secretary of State for African Affairs Michael Ranneberger sees a "historic" opportunity for a peace settlement that will end Sudan's 21-year-long civil war, which has killed two million people and displaced millions more, and have far-reaching effects on the region and the war on terror.

In a speech he delivered to the Providence, Rhode Island, Committee on Foreign Relations December 9, which he later made available to the Washington File, Ranneberger addressed the prospects for peace in Sudan and U.S. policy toward the embattled nation.

He cautioned: "We must be realistic about the difficulties ahead, but also see the potential for historic change. As so often is the case, hope and despair hang in the balance. The long-suffering people of Sudan deserve our utmost commitment and our prayers. There is reason to be hopeful."

Noting that "nowhere has President Bush's strong interest in Africa been more in evidence than on Sudan," Ranneberger said the administration's policy includes:

-- A comprehensive, just peace settlement for the entire country. "Ending the conflict in Sudan will contribute to regional stability in the strategic Horn of Africa and will send a positive message to the people of the Middle East that even the most intractable conflicts can be resolved," he said.

-- A peace settlement with a revised constitution and bill of rights that would protect the fundamental freedoms of all Sudanese. This will result in democratic change and a more moderate Sudanese government, and will complement efforts to enhance cooperation against terrorism. Sudan is on the State Sponsors of Terrorism list and, Ranneberger said, "We have made clear to the Sudanese government that we expect it to cooperate fully against terrorism."

-- Ensuring continued delivery of humanitarian assistance "to all needy populations in the country. Achiev-

ing peace will help end massive human suffering and promote human rights,” he said.

Ranneberger stressed that “these elements apply to the crisis in Darfur as much as they do to efforts to achieve a North-South peace agreement. The two situations are inextricably related, and must be resolved in tandem. There are two tracks, but they must lead to the same place: peace and change in Sudan.”

While America has facilitated the Sudan peace process, he emphasized that such “conflict intervention ... can only work if the parties themselves are committed to achieving peace, and if the countries of their region are willing to work for peace. That is why we have, from the outset, supported the African-based and African-led negotiations under the auspices of the Intergovernmental Authority on Development (IGAD). At the same time, we are providing strong support for the African Union efforts in Darfur.”

Of Darfur, Ranneberger said: “The U.S. has made it one of its highest foreign policy priorities. As soon as the dimensions of what was happening in Darfur became clear, the U.S. acted,” insisting on action through the United Nations Security Council, dramatically increasing humanitarian assistance and brokering a cease-fire agreement between the Sudanese government and the Darfur rebels.”

As for the larger North-South peace talks taking place in Kenya, Ranneberger said, “Indications are that the two sides expect to sign the peace accord by December 31,” but he added, “Sudanese leaders themselves bear principal responsibility for making the process work.

“They will take ownership in part through the establishment of their own Assessment and Evaluation Commission to monitor implementation, as called for in the Machakos [Kenya] Protocol. Their leadership coupled with strong international assistance holds out hope that the unity of the country can be maintained -- a goal that they say they share and that the international community supports.”

“The signing of a North-South accord and the ending of violence and atrocities in Darfur would meet our conditions to begin the process of normalizing bilateral relations” between the United States and Sudan, Ranneberger said.

He further explained, “Removal of the various sets of sanctions on Sudan will be tied both to specific legal conditions (for example, with respect to Trafficking in Persons and the State Sponsors of Terrorism List) and to the parties’ good faith implementation of their accord (especially governance provisions).”

Finally, he noted that “a Sudan that is peaceful and no longer isolated by the international community will also play an important role in promoting stability in the strategic Horn of Africa and will continue to cooperate in the global war on terrorism.”

UNITED STATES WELCOMES NEW EGYPTIAN-ISRAELI TRADE AGREEMENT

Protocol creates industrial zones with duty-free access to U.S. markets

Egyptian and Israeli officials signed December 14 what U.S. Trade Representative Robert Zoellick called “the most significant economic agreement between Egypt and Israel in twenty years.”

The protocol, signed by Egyptian Minister of Foreign Trade and Industry Rachid Mohamed Rachid and Israeli Vice Prime Minister Ehud Olmert, establishes seven qualified industrial zones (QIZs) in Egypt. Under the terms of a parallel document signed by Zoellick, goods that are manufactured within the zones with both Egyptian and Israeli inputs will be allowed duty-free access to the U.S. market.

“In the midst of much unpleasant news emanating from the Middle East, today’s event is a positive step for the future,” Rachid said after signing the protocol at a ceremony in Cairo.

He said that the agreement is consistent with the Egyptian government’s efforts to open its economy, boost exports and create more jobs. Rachid added that the government believes the QIZs “will contribute to a just and comprehensive peace in the region - a peace that started many years ago with the Egyptian-Israeli peace treaty.”

The U.S. Congress enacted legislation in 1996 authorizing creation of QIZs in order to encourage economic

cooperation between Israel and its neighbors. Jordan was the first country to take advantage of the opportunity, and since it opened its first QIZs in 1999, Jordan's exports to the United States have grown more than 2,000 percent. The Jordanian zones now employ more than 35,000 workers and have attracted almost \$100 million in investment.

The December 14 agreement between Egypt and Israel will establish QIZs in Cairo, Alexandria and the Suez Canal zone around Port Said.

Zoellick said that the creation of the Egyptian QIZs at this time will provide much needed support to the Egyptian textile industry as it faces the elimination of the global system of quotas for textiles and apparel at the end of 2004.

He said that Israeli businessmen with whom he had spoken believe that with the benefits of the QIZs, Egyptian producers can compete with large global producers such as China and India.

Zoellick observed, however, "It's the Egyptian business community that must be the engine that drives the opportunities that are available for the apparel business, but also, we hope, for other sectors as well."

He added, "This is only a framework. It's now up to the business communities to make it into something real."

Both Rachid and Zoellick spoke of their hopes that the QIZ agreement would lead to a more comprehensive trade agreement between Egypt and the United States.

In particular, Zoellick said, the United States hopes that the creation of the QIZs will support the advocates of economic reform within the Egyptian government "by showing some of the benefits of a more open trading system and economic integration."

He expressed the hope that once the agreement is implemented and begins to generate investment, jobs and exports, Egyptian and U.S. trade negotiators will have more freedom to discuss historically sensitive bilateral trade issues and begin to fashion a comprehensive free trade agreement covering manufactured goods, agricultural products and services as well as structural issues such as custom regulations and anti-corruption measures.

Israeli Vice Prime Minister Olmert said the agreement will be an important step toward changing the atmo-

sphere in the Middle East.

"I hope that it will be a precedent for many other countries in the Middle East and that additional countries will find out that having peace with Israel means not just good neighborly relations, but opens up great opportunities for economic trade, business relations, and the improvement of the quality of life for all peoples involved," he said.

Asked about the potential for the QIZs to attract investment given current security concerns in the Middle East, Zoellick observed that the proposed zones are located in stable, secure areas.

Referring to more general concerns about the Middle East peace process, he added, "I can't tell you how you are going to make Middle East peace, but I can say that, if we help people recognize the benefits of working together as opposed to shooting one another, that's a good step."

SERIOUS HUMAN RIGHTS ABUSES CONTINUE IN CHINA, KOZAK SAYS

Muslim religious leaders unjustly suppressed in war on terror

Serious human rights abuses continue in China, and government authorities have unjustly suppressed Muslim religious leaders in the name of the war against terrorism, according to Michael Kozak, acting assistant secretary for the State Department's Bureau of Democracy, Human Rights and Labor.

Kozak discussed China's human rights record during a December 14 hearing before the House International Relations Committee.

"In 2004, serious human rights abuses continued in China, including torture, and mistreatment of prisoners, incommunicado detention, and denial of due process," Kozak said. "Authorities remained quick to suppress religious, political or social groups that they perceived as threatening to government authority or national stability."

The Chinese government has used the international war on terror as a justification for cracking down on Uighur

Muslims who “peacefully expressed dissent” and on independent Muslim religious leaders, Kozak testified.

A crackdown on Falun Gong practitioners has also continued, he added, along with violence against women in the form of coercive birth limitation policies, including forced abortions and sterilizations.

Continued detentions and arrests of individuals discussing sensitive subjects on the Internet, health activists, labor protestors, defense lawyers, journalists, Catholics loyal to the Vatican and Protestant house church members are “a very discouraging development,” Kozak said.

He described the case of Mao Hengfeng, a civic activist who violated China’s one-child policy and who pursued justice on various housing and pension issues. Since 1989, Kozak told the committee, Mao has suffered numerous detentions and undergone physical abuse in punishment for her activities. She is currently being detained along with fellow activists Zhang Cuiping, Liu Hualin and other inmates who are described as “political,” he said.

Mao’s involuntary confinements in psychiatric hospitals are “a shocking example of the abuse of psychiatric facilities in China,” Kozak said. He noted that the nongovernmental organization “Human Rights in China” has reported that official statistics show a relatively high proportion of so-called “political” cases among psychiatric hospital patients in China.

Kozak stressed that the United States remains committed to human rights in China and is supporting activities in China to reform the judicial system, improve public participation, and strengthen civil society; it spent \$13.5 million for these programs in fiscal year 2004.

In addition, he said, the Bush Administration has pressed China to honor its international commitments and its own constitution in respecting religious freedom.

“[W]e will continue to call for China to make the right choices and to understand clearly that issues affecting the dignity of every woman and man will not go away,” Kozak said. “As long as we continue to have concerns about human rights, worker rights and religious freedom, and as long as China is unable or unwilling to address them, we will not realize the full potential of the U.S.-China relationship.”

ANTI-AIDS DRUG NEVIRAPINE IS SAFE, HEALTH AGENCY SAYS

United States to pursue further reviews of side effects of AIDS drug

The National Institute for Allergy and Infectious Diseases (NIAID) stands by previous findings that the drug nevirapine is safe and effective when administered to pregnant mothers with HIV/AIDS to protect their newborns from infection.

News reports have raised questions that safety concerns about the drug unveiled in a Uganda clinical trial did not receive proper consideration.

In a statement issued December 14, NIAID, part of the National Institutes of Health, acknowledges that there were certain concerns about the way the Uganda trial was conducted, but stood by the finding that the drug could reduce the risk of mother-to-infant HIV transmission by about 50 percent.

Even though new questions about these concerns have emerged, NIAID re-emphasized that “throughout multiple reviews, the overall conclusions regarding the safety and efficacy of single-dose nevirapine in the setting have remained intact.”

The NIAID statement says the agency has contacted the Institute of Medicine, part of the National Academy of Sciences, to conduct another, independent review of the Uganda trial.

At the White House briefing December 14, spokesman Scott McClellan said the administration stands by its decision to support the use of nevirapine in U.S.-backed programs to reduce HIV transmission from mother to child.

“[W]e will always work to improve medicines and treatments on all diseases, and that includes HIV/AIDS,” McClellan said. “In the meantime, though, we’re pursuing the available treatments that have shown to be effective, and it is something that is approved for use here in the United States of America. And it can have very important, positive effects when it is used in the proper dosage.”

UNITED STATES LAYS OUT VISION FOR ADDRESSING CLIMATE CHANGE

Op-ed by science adviser to President Bush

(This op-ed by John H. Marburger, science adviser to President Bush and director of the Office of Science and Technology Policy in the Executive Office of the President, was issued December 15 and is in the public domain. There are no republication restrictions.)

The U.S. Climate Change Vision

By Dr. John H. Marburger, III

“The issue of climate change respects no border. Its effects cannot be reined in by an army nor advanced by any ideology. Climate change, with its potential to impact every corner of the world, is an issue that must be addressed by the world.”

-- President George W. Bush, June 11, 2001.

With these words, President Bush clearly acknowledged the seriousness of climate change and launched a responsible and practical climate policy with three primary aims: 1) to introduce new technologies for producing and using energy that can dramatically reduce the relationship between economic growth and the generation of greenhouse gases; 2) to improve scientific tools and understanding needed to respond more effectively to the problems posed by climate change; and 3) to enlist the cooperation of other nations to address the entire spectrum of climate change issues. To advance these aims, the U.S. spent approximately \$5.1 billion in FY 2004 on climate change science research, advanced energy technologies, voluntary programs, and related international assistance -- far more than any other nation.

U.S. climate-oriented technology initiatives are ambitious on a scale commensurate with the challenges: development of hydrogen technologies that can enable more efficient and carbon-free means of transportation and other applications; new kinds of power plants -- “FutureGen” plants -- that generate power from hydrocarbons, but release no carbon to the atmosphere; and renewed commitment to research on carbon-free forms of power generation such as nuclear fusion that can be scaled to an economically significant size. The vision here is to forge new energy technologies that all nations can use to meet their goals of limiting greenhouse gas emissions, without compromising the sustained improvements in living standards to which all nations aspire. Climate science initiatives are critically important for

the kind of long-range planning that must be done region by region around the world to rise to the challenge of climate change. Even modest advances in our understanding of weather and climate can have a positive impact. The United States is spending nearly \$2 billion per year on climate science within a well-defined strategic plan, developed and reviewed with wide input from the international scientific community and the National Academy of Sciences.

International cooperation is crucial for observing, understanding, preparing for, and mitigating potential impacts of climate change. The U.S. is by far the largest funder of activities under the United Nations Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC). Bush Administration international initiatives include the Methane to Markets Partnership, the International Partnership for a Hydrogen Economy, the Carbon Sequestration Leadership Forum, the Generation IV International Forum for nuclear power, and the Renewable Energy and Energy Efficiency Partnership. These initiatives and bilateral partnerships bring together approximately 20 developing and developed nations who, with the United States account for more than 70 percent of global greenhouse gas emissions.

The U.S. initiated a vigorous and widely supported international initiative on integrated Earth Observations, a “system of systems” approach to improve knowledge of global conditions that is engaging 48 countries and the European Union. The U.S. just released a draft 10-year strategic plan that will provide the U.S. component to an integrated global Earth Observation System to be considered at a summit of the Group on Earth Observations early next year. This summit will be the third such meeting in less than two years.

These actions add up to a thoughtful, visionary approach to the huge challenge of climate change. In President Bush’s words: “My approach recognizes that economic growth is the solution, not the problem. Because a nation that grows its economy is a nation that can afford investments and new technologies.” These investments are made on behalf of all nations, and are essential for a sustainable global economy in the future.

(Dr. Marburger is science adviser to President George W. Bush and director of the Office of Science and Technology Policy in the Executive Office of the President.)